

# Quick guide to total and permanent disablement payments



This fact sheet provides information about your choices and options following approval of a total and permanent disablement (TPD) benefit claim.

Our superannuation advisers and financial planning team can answer any questions you might have and help you make the right decisions. Call us on 1300 650 873 to see how we can help.

## Three common questions

1. Do I need to take all of my benefit?
2. What should I do with my benefit?
3. Do I have to pay any taxes?

### 1. Do I need to take all of my benefit?

No, you do not need to take any of your benefit now. It can be left until you have a future need or you could take part of the benefit now and leave the remainder for the future.

The approval letter you receive from us will provide estimates of the insurance benefit (if any), superannuation account balance and any tax payable if you decide to withdraw all the benefit now.

### 2. What should I do with my benefit?

Everyone's circumstances will be different so there are no 'rules' that apply to everyone.

#### Some things to consider

Do you need additional income to fund your living costs?

Do you need to repay debt?

Do you have expensive medical costs to cover?

Do you need to make improvements to the home that may assist with any disability you may have?

Will taking a benefit from your superannuation have any impact on any Centrelink benefit you may be receiving or entitled to?

While approval of a TPD condition of release allows full access to your superannuation and any insurance within the fund, you can choose to retain all or part in superannuation or commence an income stream.

### 3. Do I have to pay any taxes?

This depends on your age, the components of your superannuation (tax-free and taxable) and whether you have provided us with two acceptable doctor certificates of incapacity. These certificates need to state that you are "unlikely to ever be gainfully employed in a capacity for which you are reasonably qualified through education, training and experience, due to ill-health."

The Australian Tax Office allows superannuation funds to increase the tax-free portion of superannuation lump sum payments where the medical certifications have been provided. This is particularly important for members who are under preservation age (see table).

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

No tax is payable if you are aged 60 or over.

## Here to help!

Super can be quite complicated and sometimes you just want to know that you're making the right decisions. Because the right decisions about your super can make a real difference to your financial future.

So if you've got any questions, or you just want the comfort of knowing you're on the right track, getting some advice can help.

StatePlus is our financial planning business and is wholly owned by us. The team at StatePlus can answer simple questions about your super over the phone, or if your situation is more complex, prepare a full financial plan for you. It's all up to you, no obligation. Book online at [firststatesuper.com.au/advice](http://firststatesuper.com.au/advice) or call **1800 620 305** (Monday to Friday 8.15 am to 8.15 pm AEST/AEDT) to arrange an appointment.

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